

Message Text

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PAGE 01 PRETOR 03948 210208Z

70

ACTION XMB-04

INFO OCT-01 AF-06 EUR-12 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 /063 W

----- 059022

R 171233Z OCT 75

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 2926

INFO AMEMBASSY BONN

AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION OECD PARIS

LIMITED OFFICIAL USE PRETORIA 3948

C O R R E C T E D C O P Y (FOR E.O. - TAGS - AND SUBJ LINES)

E.O. 11652: N/A

TAGS: SF, BPRO, EFIN, EIND

SUBJECT: EXIMBANK REQUIREMENT FOR SAG GUARANTEE FOR ISCOR
BORROWINGS FOR GE LOCOMOTIVES

REF: (A) PRETORIA 3700 (NOTAL); (B) PRETORIA 3701 (NOTAL);
(C) PRETORIA 3755 (NOTAL); (D) PRETORIA 3863 (NOTAL);
(E) STATE 245128 (NOTAL)

1. APPRECIATE REFTEL (E), WHICH CLARIFIES SITUATION AND EXIMBANK
POSITION.

2. WE ARE STILL CONCERNED ABOUT ONE ASPECT OF MATTER. AS
REPORTED REFTEL (D) BRITISH ECGD AND GERMAN HERMES ARE APPARENTLY
OFFERING GUARANTEE WITHOUT REQUIRING SAG GUARANTEE OF REPAYMENT
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IF SO GE SEEMS LIKELY TO LOSE ORDER BECAUSE OF MORE LIBERAL

CONDITIONS OFFERED BY COMPETING OFFICIAL EXPORT CREDIT
INSTITUTIONS. WE UNDERSTAND BERN UNION AND OECD EXPORT CREDIT
GROUP EXIST IN PART TO AVOID THIS KIND OF COMPETITION
AMONG OFFICIALLY SPONSORED EXPORT CREDIT INSTITUTIONS.
EXIM MAY WISH TO CONSIDER USING BERN UNION OR OECD TO
VERIFY CONDITIONS OFFERED BY ECGD AND HERMES. IF ECGD AND
HERMES DECIDE TO FOLLOW EXIM POLICY AND INSIST ON SAG GUARANTEE
THEN THE THREE COMPETING SUPPLIES WILL BE ON EQUAL FOOTING
AS REGARDS OFFICIALS CREDIT SUPPORT AND WE WOULD EXPECT
ISCOR TO REVERSE ITSELF AND FOLLOW ESCOM'S POLICY OF
REQUESTING SAG REPAYMENT GUARANTEES FOR SUPPLIER CREDITS.
OTHERWISE GE WILL BE AT A GREAT DISADVANTAGE AND WILL
PROBABLY LOSE THE \$47 MILLION ORDER.
BOWDLER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT GUARANTEES, DEVELOPMENT BANKS, RAILROADS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PRETOR03948
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750364-0413
From: PRETORIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751042/aaaablos.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 PRETORIA 3700
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAY 2003 by CunninFX>; APPROVED <28 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK REQUIREMENT FOR SAG GUARANTEE FOR ISCOR BORROWINGS FOR GE LOCOMOTIVES
TAGS: BPRO, EFIN, EIND, SF, XMB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006